The Morning Dividend

Daily dividend investing news from Sure Dividend

Good morning,

Today's May 31st, 2019 edition of The Morning Dividend covers the following new income investing stories:

- Final Chance For Dividend Growth Investor Newsletter Discount
- The Sure Analysis Research Database Weekly Update
- Costco Beats On Earnings, Misses On Membership Expectations
- Williams-Sonoma Crushes Earnings Expectations
- Other Dividend News
- New From Sure Dividend
- Share The Morning Dividend

Markets					
S&P 500	2789	0.21%	**Oil**	$55.50	-5.61%
Dow Jones	25170	0.17%	**Gold**	$1,297.45	1.38%
NASDAQ	7568	0.27%	**10-Year Treasuries**	2.16%	-10 bps

You currently have *|REFCOUNT|* referrals, and your referral link to share The Morning Dividend is: http://www.signup.suredividend.com/?ref=*|REFERALCOD|*

See the "Share The Morning Dividend" section of this email to learn how you can get our most valuable work for free by sharing The Morning Dividend.

Final Chance For Dividend Growth Investor Newsletter Discount

The Dividend Growth Investor site has been around for *11 years*, and covers long-term buy and hold dividend growth investing.

The owner of Dividend Growth Investor has proven his resolve and expertise in the dividend growth investing style over the last 11 years.

That's why we are working with Dividend Growth Investor to provide the following offer to Sure Dividend readers. I am happy to make the discounted offer below available to Sure Dividend readers using an affiliate link and agreement because I know and trust the authenticity of Dividend Growth Investor. I would not make this offer available if I had not followed the Dividend Growth Investor site and investing strategy for years.

The Dividend Growth Investor Newsletter follows a *real money* dividend growth portfolio. Subscribers receive confirmations about the purchases that are made in a follow up email later that day. Dividend Growth Investor invests every single month in the best values I can find at the moment.

Each newsletter includes detailed analysis on 10 blue chip dividend companies. Analysis is focused on:

- Dividend growth potential
- Dividend safety
- Valuation

The owner of Dividend Growth Investor (who prefers to remain anonymous) invests their real money portfolio with the utmost care, so they can rely on the dividend income stream in the future.

As the dividend portfolio matures, the newsletter will walk you through the process of managing portfolio weights, working on diversification and monitoring the portfolio. Dividends are reinvested in the best values at the moment. They are pooled with the new cash deposits into the brokerage account.

The newsletter comes out on the last Sunday of every month. The newest newsletter just came out on May 26th.

Dividend Growth Investor's newsletter normally costs **$79/year**. We are offering the newsletter at a discounted promotional rate of only **$64.99/year**, which is exclusive to Sure Dividend Readers.

The price is valid through May 31, 2019 (today) only. Starting June 1, the price will increase to $79/year for those who have not yet joined. If you subscribe now you can permanently lock in the discounted rate. **Your price will never increase**.

We are offering a 7 day risk-free free trial as well, during which your card will not be charged.

Click here to start your 7 day free trial now & lock in your discount

Once you subscribe, you will be added to the exclusive newsletter email list, and will receive premium information about the Dividend Growth Investor portfolio. You will receive the new May 26 newsletter when you join. And, Dividend Growth Investor plans to provide an updated list of Dividend Portfolio Holdings by June 2.

The Sure Analysis Research Database Weekly Update

The current top 10 stocks in the Sure Analysis Research Database with A ratings for Retirement Suitability are:

1. Imperial Brands plc (IMBBY)
2. AbbVie Inc. (ABBV)
3. Tanger Factory Outlet Centers Inc. (SKT)
4. Newell Brands Inc. (NWL)
5. Bed Bath & Beyond (BBBY)
6. Foot Locker Inc. (FL)
7. Walgreens Boots Alliance Inc. (WBA)
8. WestRock Co. (WRK)
9. The Bank of Nova Scotia (BNS)
10. Bank OZK (OZK)

We added quarterly updates on the following 69 securities since last week's update:

1. Advance Auto Parts Inc. (AAP)
2. American States Water Co. (AWR)
3. AmeriGas Partners LP (APU)
4. Apple Hospitality REIT Inc. (APLE)
5. Assurant Inc. (AIZ)
6. Aurora Cannabis Inc. (ACB)
7. Bank of Montreal (BMO)
8. Black Hills Corp. (BKH)
9. BNP Paribas SA (BNPQF)
10. CAE Inc. (CAE)
11. Calvin B. Taylor Bankshares Inc. (TYCB)
12. Carlisle Companies Inc. (CSL)
13. Cemex SAB de CV (CX)
14. China Petroleum & Chemical Corp. (SNP)
15. Chubb Ltd (CB)
16. Connecticut Water Service Inc. (CTWS)
17. Dillard's Inc. (DDS)
18. Dunkin' Brands Grp. Inc. (DNKN)
19. Energy Transfer LP (ET)
20. Eni SpA (E)
21. EQM Midstream Partners LP (EQM)
22. Everest Re Grp. Ltd (RE)
23. Foot Locker Inc. (FL)

24. Fresenius Medical Care AG & Co. KGaA (FMS)
25. Global Net Lease Inc. (GNL)
26. International Flavors & Fragrances Inc. (IFF)
27. Iron Mountain Inc. (IRM)
28. Jack in the Box Inc. (JACK)
29. L Brands Inc. (LB)
30. Ladder Capital Corp. (LADR)
31. Lamar Advertising Co. (LAMR)
32. Lazard Ltd (LAZ)
33. Lowe's Companies Inc. (LOW)
34. Main Street Capital Corp. (MAIN)
35. Manulife Financial Corp. (MFC)
36. Medtronic plc (MDT)
37. Mercury General Corp. (MCY)
38. MGE Energy Inc. (MGEE)
39. Nabors Industries Ltd (NBR)
40. NetApp Inc. (NTAP)
41. New Residential Inv. Corp. (NRZ)
42. Nordstrom Inc. (JWN)
43. NVIDIA Corp. (NVDA)
44. Omnicom Grp. Inc. (OMC)
45. Orchid Island Capital Inc. (ORC)
46. Pembina Pipeline Corp. (PPL)
47. Public Storage (PSA)
48. Ross Stores Inc. (ROST)
49. Royal Bank of Canada (RY)
50. Skyworks Solutions Inc. (SWKS)
51. Starwood Property Trust Inc. (STWD)
52. Summit Hotel Properties Inc. (INN)
53. Taubman Centers, Inc. (TCO)
54. TC PipeLines LP (TCP)
55. TechnipFMC plc (FTI)
56. TELUS Corp. (TU)
57. The Home Depot Inc. (HD)
58. The Toro Co. (TTC)
59. The Toronto-Dominion Bank (TD)
60. The Western Union Co.(WU)
61. Thomson Reuters Corp. (TRI)
62. Toyota Motor Corp. (TM)
63. Universal Corp. (UVV)
64. Universal Health Realty Income Trust (UHT)
65. V. F. Corp. (VFC)
66. Waddell & Reed Financial Inc. (WDR)
67. Welltower Inc. (WELL)
68. West Pharmaceutical Srvcs. Inc. (WST)
69. Wheaton Precious Metals Corp. (WPM)

We also added the following 9 new securities to our investment research database:

1. American Tower Corp. (AMT)
2. Brixmor Property Grp. Inc. (BRX)
3. Chatham Lodging Trust (CLDT)
4. Oshkosh Corp. (OSK)
5. PacWest Bancorp (PACW)
6. Prospect Capital Corp. (PSEC)
7. Red Eléctrica Corporacion SA (RDEIY)
8. Shopify Inc. (SHOP)
9. UBS Group AG (UBS)

If there are any specific companies you'd like added to The Sure Analysis database, let us know here. Your feedback matters; we add companies based on how frequently they are requested.

Costco Beats On Earnings, Misses On Membership Expectations

Yesterday after the market closed, Costco Wholesale Corporation (COST) reported financial results for the third quarter of fiscal 2019.

The company's earnings beat expectations, but membership revenue came in slightly lower than expected, causing Costco's stock to decline slightly in after-hours trading. Overall, we believe the company's quarterly results illustrated the strength of its warehouse retail business model.

On the top line, net sales for the quarter increased by 7.4%, while net sales through the first three quarters of fiscal 2019 increased by 8.3%.

Costco's robust sales growth was driven primarily by comparable store sales growth. At locations open longer than one year, the company's quarter sales growth was as follows:

- United States: 5.5%
- Canada: 5.1%
- Other International: 6.9%

Through the first nine months of the fiscal year, Costco's comparable sales were similarly strong, with same store sales in the U.S., Canada, and Other International segments rising 6.9%, 5.5%, and 5.8%, respectively.

Note: these figures exclude the impacts of gasoline prices, foreign exchange, and a previously disclosed accounting change.

On the bottom line, Costco's results were even stronger. Net income surged 20.8% to $906 million while diluted earnings-per-per-share rose by 20.6% to $2.05. Through the first nine months of the year, net income increased by 22.4% and diluted earnings-per-share increased by 22.2%.

While Costco's core metrics were strong, one number that many analysts focus on is membership fees. This number came in at $776 million in the most recent quarter while the consensus estimate was for membership fees of $782 million. Because of this, Costco's stock fell modestly in yesterday's aftermarket trading.

Looking ahead, Costco is type of high-quality business that most investors would be delighted to own. However, the company is trading significantly above our fair value estimate. Accordingly, Costco earns a hold recommendation from Sure Dividend at current prices.

Williams-Sonoma Crushes Earnings Expectations

Yesterday after the markets closed, kitchenware and home furnishings retailer Williams-Sonoma (WSM) reported financial results for the first quarter of fiscal 2019. The company's earnings exceeded even the highest estimate published by sell-side analysts, and Williams-Sonoma's stock surged by 11% in after-hours trading as a result.

On the top line, Williams-Sonoma's revenue increased by 3.2% to $1.241 billion while comparable brand revenue growth increased by 3.5%, including "double-digit comparable growth for West Elm."

Further down the income statement, adjusted operating margin expanded 70 basis points to 7.0%, while adjusted earnings-per-share of $0.81 increased by 21% year-on-year.

Williams-Sonoma's President and Chief Executive Officer, Laura Alber, made the following statement in conjunction with the earnings release:

"We have had a strong start to 2019 with comparable revenue growth of 3.5%, operating margin expansion and significant EPS growth. Customer acquisition and engagement continued to grow as we delivered more compelling and differentiated experiences to our customers. We also reached a significant milestone for our company as we were named, for the first time, to the Fortune 500 largest companies in the U.S. This accomplishment speaks to the hard work and dedication of all our associates, the ongoing support of our loyal customers and the power of our highly differentiated platform in driving long-term, profitable growth."

Williams-Sonoma also revised its full-year financial guidance with the publication of its first quarter earnings release. The company now expects the following:

- Total Net Revenues: $5.670 billion - $5.840 billion
- Comparable Brand Revenue Growth: 2% - 5%
- Non-GAAP Operating Margin: In-line with FY 18
- Non-GAAP Diluted EPS: $4.55 - $4.75
- Non-GAAP Income Tax Rate: 23% - 24%
- Depreciation and Amortization: $185 million - $195 million
- Net 30 store closures for a total store count of 595 by the end of FY19
- Capital Spending: $200 million - $220 million
- Return to Shareholders: quarterly cash dividend of $0.48 per share and incremental share buybacks under multi-year share repurchase authorization of approximately $678 million.

The company's long-term financial targets also remained unchanged:

- Total Net Revenues growth of mid to high single digits
- Non-GAAP Operating Income growth in-line with revenue growth, driving Operating Margin stability
- Above-industry average ROIC

Overall, it was an excellent quarter from Williams-Sonoma. Prior to the company's earnings release, we had a buy recommendation on its stock; however, this may be revised to a hold if the company's stock price increases enough over the next several trading days.

Other Dividend News

- General Electric CEO reaffirms financial guidance at the Bernstein Strategic Decisions Conference

- FedEx launches year-round 7-day residential delivery

- Lamar Advertising names new Chief Financial Officer

New From Sure Dividend

We have a new article to share: Will Lyft Ever Pay A Dividend?

Also, we have 2 additional important events to inform you of.

First, **The June 2019 Sure Dividend Newsletter goes live this Sunday**.

Second, **through today only** you can join Dividend Growth Investor's premium newsletter for just $65.99 (normally $79/year). Once you join, you will permanently lock in the discounted price. Click here to start your free trial now. This offer is discussed in more detail in the first section of this email.